



Health Services
LOS ANGELES COUNTY

**Los Angeles County
Board of Supervisors**

May 4, 2006

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO AGREEMENTS WITH
FOUR CURRENT CONTRACTORS TO PROVIDE
TEMPORARY SPECIALTY MEDICAL SERVICES -
PHYSICIAN ANESTHESIOLOGISTS**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Acting Director of Health Services, or his designee, to sign four amendments, substantially similar to the attached Exhibits I, II, III, and IV, to amend Agreements with Anesthesia Provider Group (County Contract No. H-212400), National Medical Registry, Inc. (County Contract No. H-700106), Pacific Anesthesia Provider Group (County Contract No. H-701850), and San Fernando Valley Anesthesia Medical Group, Inc. (County Contract No. H-212401) to extend the term of each Agreement effective July 1, 2006 through June 30, 2007, with two one-year automatic renewals through June 30, 2009, to enable the Department to procure as-needed physician anesthesiologist services, at a total cost of approximately \$4,457,000 per Fiscal Year.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving the recommended action, the Board is allowing the Department of Health Services (DHS or Department) to extend the term of the Agreements, effective July 1, 2006 through June 30, 2007, with two one-year automatic renewals through June 30, 2009, to procure as-needed physician anesthesiologist services for DHS medical facilities.

The County continues to be unable to hire an adequate number of physician anesthesiologists and is facing a severe shortage.

Bruce A. Chernof, MD
Acting Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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through leadership,
service and education.*



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FISCAL IMPACT/FINANCING:

Total estimated costs for as-needed physician anesthesiologist services are approximately \$4,457,000 per Fiscal Year (FY), or a total of \$13,371,000 for the period of July 1, 2006 through June 30, 2009. Estimated annual expenditures by DHS medical facility are: 1) Harbor/UCLA Medical Center (Harbor), \$222,000; 2) High Desert Health System (High Desert), \$72,000; 3) Olive View/UCLA Medical Center (Olive View), \$1,875,000; 4) Martin Luther King, Jr./Drew Medical Center (King/Drew), \$2,288,000. (Neither LAC+USC Medical Center [LAC+USC] nor Rancho Los Amigos National Rehabilitation Center [Rancho] use these registry contracts at this time. LAC+USC and Rancho currently obtain anesthesia services from physician anesthesiologists who have individual contracts with the County.)

Funding is included in the FY 2006-07 Proposed Budget and will be requested in future FYs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Because of the difficulty in recruiting physician specialists into County employment to staff DHS facilities, the County has contracted with private sector registries that provide physician anesthesiologists to meet the Department's staffing needs. Under the administrative direction of the respective DHS facility's medical director, or his/her's designee, contracted physician anesthesiologists perform scheduled general anesthesia, supervise the clinical work of Certified Registered Nurse Anesthetists, and provide off-site availability by being "on-call".

On June 5, 2001, the Board approved the existing Agreements with Anesthesia Provider Group (APG) and the San Fernando Valley Anesthesia Medical Group, Inc., (SFV), and also approved delegated authority to the Director, or his designee, to enter into new agreements with other interested agencies who are determined qualified by a DHS Certification/Questionnaire following review and approval by County Counsel.

On March 11, 2003, the Board approved the existing Agreement with National Medical Registry, Inc. (National) to provide services at High Desert. The Department obtained Board approval to pay higher rates than the previously approved rates, due to the difficulty of obtaining services in the High Desert area.

On November 29, 2005, the Board approved Amendment No. 1 to the Agreements with APG, National, and SFV, to adjust rates and update Board mandated provisions. On January 25, 2006, the Department used delegated authority to enter into an agreement with Pacific Anesthesia Provider Group (Pacific) to meet the physician anesthesiologist service needs of Olive View. The four Agreements with APG, National, Pacific, and SFV are slated to expire on June 30, 2006.

Physician anesthesiologist services are designed to be used only on an as-needed basis. The Agreements do not obligate the County to use any services from the contractors during the term of the Agreement. In addition, the Agreement acknowledges the County's right to contract with other providers and to perform physician anesthesiologist services itself, using County personnel. Contractors are used only when County staff are not available to provide necessary services.

Each physician must: 1) be either board certified or board eligible and their specialty recognized by the American Medical Association; 2) meet the credentialing requirements of each County hospital, which includes a review of the physician's malpractice history; 3) join the medical staff; and 4) comply with the Professional Staff Association Bylaws of the County hospitals. There shall be no overtime or additional compensation for weekends or holidays for contractor's physician anesthesiologist personnel.

Consistent with Board policy, DHS will identify positions on the re-employment list whose job skills match those required by the County before a contract position is retained. The Agreements are not utilized to replace County employees impacted by program curtailments.

The Agreements may be terminated with or without cause by the County by providing a 30-day advance written notice.

Contract monitoring functions are performed by the participating County medical facilities' staff.

Attachment A provides additional information.

County Counsel has approved the amendments (Exhibits I through IV) as to form.

CONTRACTING PROCESS:

The Amendments are effective July 1, 2006 through June 30, 2007, with two one-year automatic renewals through June 30, 2009.

The Agreement will continue to be offered to other interested and qualified providers of physician anesthesiologist services on an as-needed basis during the term of the Agreements.

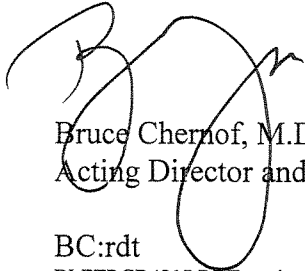
IMPACT OF CURRENT SERVICES (OR PROJECTS):

Board approval of the recommended action will ensure that as-needed physician anesthesiologist services for County patients will continue uninterrupted at DHS facilities.

The Honorable Board of Supervisors
May 4, 2006
Page 4

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "Bruce Chernof", written over the printed name and title.

Bruce Chernof, M.D.
Acting Director and Chief Medical Officer

BC:rdt
BLETRCD4217.RDT.wpd

Attachments (5)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor Controller

SUMMARY OF AMENDMENT1. TYPE OF SERVICE:

As-needed physician anesthesiologist services for Department of Health Services' medical facilities.

2. AGENCIES ADDRESSES AND CONTACT PERSONS:

- | | |
|---|---|
| <p>a. Anesthesia Provider Group 1412 West 7th Street San Pedro, California 90732 Attention: Kamran Ghadimi, M.D. Telephone: (310) 548-5481 Facsimile: (310) 548-5000 electronic mail: haleh4@aol.com Contract No.: H-212400</p> | <p>c. National Medical Registry, Inc. 901 Calle Amanecer, Suite 300 San Clemente, California 92673 Attention: Kim Stonier, Administrator Telephone: (800) 451-7811 Facsimile: (888) 777-2067 electronic mail: kim@nmrhealthpros.com Contract No.: H-700106</p> |
| <p>b. San Fernando Valley Anesthesia Medical Group, Inc. 6011 North Pointe Place Woodland Hills, California 91367 Attention: Jeffrey Rusheen, M.D. Telephone: (818) 347-6261 Facsimile: (818) 340-6139 electronic mail: jmrusheen@pol.net Contract No.: H-212401</p> | <p>d. Pacific Anesthesia Provider Group 18652 Los Alimos Street Northridge, California 91326 Attention: Vahe K. Messerlian Telephone: (818) 368-4150 Facsimile: (818) 368-8480 electronic mail: vmesserlian@socal.rr.com Contract No.: H-701850</p> |

3. TERM:

Effective July 1, 2006 through June 30, 2007, with two one-year automatic renewals through June 30, 2009.

4. FINANCIAL INFORMATION:

Total estimated costs for as-needed physician anesthesiologist services are approximately \$4,457,000 per Fiscal Year (FY) for a total of \$13,371,000 for the period of July 1, 2006 through June 30, 2009. Estimated expenditures by DHS medical facility are: 1) Harbor/UCLA Medical Center, \$222,000; 2) High Desert Health System, \$72,000; 3) Olive View/UCLA Medical Center, \$1,875,000; and 4) Martin Luther King Jr./Drew Medical Center, \$2,288,000. (Neither LAC+USC Medical Center nor Rancho Los Amigos National Rehabilitation Center use these registry contracts at this time.) Funding is included in the FY 2006-07 Proposed Budget and will be requested in future FYs.

5. PROGRAM INFORMATION:

Under the administrative direction of the respective DHS facility's medical director or designee, contractors' physician anesthesiologists perform scheduled general anesthesia, supervise the clinical work of Certified Registered Nurse Anesthetists, and provide off-site availability by being "on-call".

6. APPROVALS:

| | |
|------------------------------|---|
| Administrative Systems: | Fred Leaf, Deputy |
| Contract Administration: | Cara O'Neill, Chief |
| County Counsel (as to form): | Sharon A. Reichman, Principal Deputy County Counsel |

EXHIBIT I

Contract No. H-212400-2

SPECIALTY MEDICAL SERVICES AGREEMENT
(Temporary Physician Anesthesiologist)

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this _____ day
of _____, 2006,

by and between

COUNTY OF LOS ANGELES (here-
after "COUNTY"),

and

ANESTHESIA PROVIDER GROUP
(hereafter "CONTRACTOR").

WHEREAS, reference is made to that certain document entitled
"SPECIALTY MEDICAL SERVICES AGREEMENT (Temporary Physician
Anesthesiologist)", dated June 5, 2001, and further identified
as County Agreement No. H-212400, and any amendments thereto
(all hereafter "Agreement"); and

WHEREAS, it is the desire of the parties hereto to amend
Agreement to extend the term and make other hereafter described
changes; and

WHEREAS, the Agreement provides that changes to its
provisions may be made in the form of a written amendment which
is formally approved and executed by both parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2006.
2. Paragraph 2, Term and Termination, Subparagraph 1, shall be revised as follows:

"2. TERM AND TERMINATION: The term of this Agreement shall commence on July 1, 2001, and shall continue in full force and effect to midnight June 30, 2007. Said Agreement shall thereafter be automatically renewed for one (1) year terms, for a maximum of two (2) years, without further action by the parties hereto, to and including June 30, 2009."

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Acting Director and Chief
Medical Officer

ANESTHESIA PROVIDER GROUP
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM BY THE
OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

AMENDCD4218.rdt
rdt:04/25/06

EXHIBIT II

Contract No. H-212401-2

SPECIALTY MEDICAL SERVICES AGREEMENT
(Temporary Physician Anesthesiologist)

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this _____ day
of _____, 2006,

by and between

COUNTY OF LOS ANGELES (here-
after "COUNTY"),

and

SAN FERNANDO VALLEY ANESTHESIA
MEDICAL GROUP, INC., (hereafter
"CONTRACTOR").

WHEREAS, reference is made to that certain document entitled
"SPECIALTY MEDICAL SERVICES AGREEMENT (Temporary Physician
Anesthesiologist)", dated June 5, 2001, and further identified
as County Agreement No. H-212401, and any amendments thereto
(all hereafter "Agreement"); and

WHEREAS, it is the desire of the parties hereto to amend
Agreement to extend the term and make other hereafter described
changes; and

WHEREAS, the Agreement provides that changes to its
provisions may be made in the form of a written amendment which
is formally approved and executed by both parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2006.
2. Paragraph 2, Term and Termination, Subparagraph 1, shall be revised as follows:

"2. TERM AND TERMINATION: The term of this Agreement shall commence on July 1, 2001, and shall continue in full force and effect to midnight June 30, 2007. Said Agreement shall thereafter be automatically renewed for one (1) year terms, for a maximum of two (2) years, without further action by the parties hereto, to and including June 30, 2009."

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this
Amendment to be subscribed in its behalf by its duly authorized
officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Acting Director and Chief
Medical Officer

SAN FERNANDO VALLEY ANESTHESIA
MEDICAL GROUP, INC.,
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM BY THE
OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

AMENDCD4219.rdt
rdt:04/25/06

EXHIBIT III

Contract No. H-700106-2

SPECIALTY MEDICAL SERVICES AGREEMENT
(Temporary Physician Anesthesiologist)

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this _____ day
of _____, 2006,

by and between COUNTY OF LOS ANGELES (here-
after "COUNTY"),
and NATIONAL MEDICAL REGISTRY, INC.,
(hereafter "CONTRACTOR").

WHEREAS, reference is made to that certain document entitled
"SPECIALTY MEDICAL SERVICES AGREEMENT (Temporary Physician
Anesthesiologist)", dated March 11, 2003, and further identified
as County Agreement No. H-700106, and any amendments thereto
(all hereafter "Agreement"); and

WHEREAS, it is the desire of the parties hereto to amend
Agreement to extend the term and make other hereafter described
changes; and

WHEREAS, the Agreement provides that changes to its
provisions may be made in the form of a written amendment which
is formally approved and executed by both parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2006.
2. Paragraph 2, Term and Termination, Subparagraph 1, shall be revised as follows:

"2. TERM AND TERMINATION: The term of this Agreement shall commence on June 2, 2003, and shall continue in full force and effect to midnight June 30, 2007. Said Agreement shall thereafter be automatically renewed for one (1) year terms, for a maximum of two (2) years, without further action by the parties hereto, to and including June 30, 2009."

3. Paragraph 4, Subparagraph G of Agreement, BILLING AND PAYMENT, shall be added to Agreement to read as follows:

"G. During the period July 1, 2006 through June 30, 2007, the maximum obligation of County for all services provided hereunder shall not exceed Seventy Two Thousand Dollars (\$72,000).

During the period July 1, 2007 through June 30, 2008, the maximum obligation of County for all services provided hereunder shall not exceed Seventy Two Thousand Dollars (\$72,000).

During the period July 1, 2008 through June 30, 2009, the maximum obligation of County for all services provided hereunder shall not exceed Seventy Two Thousand Dollars (\$72,000)."

4. Exhibit B, SCHEDULE OF RATES, shall be replaced in its entirety by Exhibit B-2, attached hereto, and incorporated by reference. Any reference to Exhibit B in the Agreement shall not be amended to reference Exhibit B-2.

5. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this
Amendment to be subscribed in its behalf by its duly authorized
officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Acting Director and Chief
Medical Officer

NATIONAL MEDICAL REGISTRY, INC.,
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM BY THE
OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

AMENDCD4220.rdt
rdt:04/26/06

SCHEDULE OF RATES
HIGH DESERT HEALTH SYSTEM ONLY

SPECIALTY MEDICAL SERVICES AGREEMENT
(Temporary Physician Anesthesiologist)

County shall compensate Contractor for each physician anesthesiologist providing services hereunder at rates not to exceed the following:

1. Schedule General Anesthesia Services:

Up to the maximum rate of \$1,800 per 8 hour shift or up to the maximum rate of \$225 per hour (rounded up or down to the nearest hour).

2. Per Diem Expenses:

Not to exceed \$25.00 per day.

3. Mileage Expenses:

\$0.41 per mile.

4. Lodging Expenses:

Not to exceed \$125.00 per day. Such lodging reimbursement without a receipt will be limited to \$20.00 per day.

EXHIBIT IV

Contract No. H-701850-1

SPECIALTY MEDICAL SERVICES AGREEMENT
(Temporary Physician Anesthesiologist)

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this _____ day
of _____, 2006,

by and between

COUNTY OF LOS ANGELES (here-
after "COUNTY"),

and

PACIFIC ANESTHESIA PROVIDER
GROUP, (hereafter "CONTRACTOR").

WHEREAS, reference is made to that certain document entitled
"SPECIALTY MEDICAL SERVICES AGREEMENT (Temporary Physician
Anesthesiologist)", dated January 25, 2006, and further
identified as County Agreement No. H-701850 (hereafter
"Agreement"); and

WHEREAS, it is the desire of the parties hereto to amend
Agreement to extend the term and make other hereafter described
changes; and

WHEREAS, the Agreement provides that changes to its
provisions may be made in the form of a written amendment which
is formally approved and executed by both parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2006.
2. Paragraph 2, Term and Termination, Subparagraph 1, shall be revised as follows:

"2. TERM AND TERMINATION: The term of this Agreement shall commence on January 25, 2006, and shall continue in full force and effect to midnight June 30, 2007. Said Agreement shall thereafter be automatically renewed for one (1) year terms, for a maximum of two (2) years, without further action by the parties hereto, to and including June 30, 2009."

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Acting Director and Chief
Medical Officer

PACIFIC ANESTHESIA PROVIDER
GROUP _____
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM BY THE
OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

AMENDCD4221.rdt
rdt:04/25/06